

SEPTEMBER/OCTOBER
2003

Insight

For
benefits
administrators

Good news for MoneyPlu\$ participants—another way to save money^①

The news

Effective October 1, 2003, MoneyPlu\$ Medical Spending Account (MSA) participants are now able to request reimbursement from their accounts for *certain over-the-counter (OTC) drugs*—*allergy, antacid, cold (and cough) and pain relief medicines*. Here are some general examples:

- *Allergy*: oral tablets/liquids, topical creams/ointments, nasal sprays/inhalers;
- *Antacid*: tablets, liquids;
- *Cold (and Cough)*: oral tablets/liquids, nasal sprays, topical rubs/ointments;
- *Pain relief*: oral tablets (aspirin, etc.) topical rubs/ointments, dermal patches.

Contact lens cleaners and solutions have always been, and will continue to be, reimbursable. Herbal, dietary and cosmetic medicines and toiletries, such as toothpaste, will not be reimbursable.

The Treasury Department and IRS ruled in early September that over-the-counter drugs may be paid with pre-tax dollars through health care flexible spending accounts, such as MoneyPlu\$ MSAs. Taxpayers should note that this IRS ruling does not change the rules regarding itemization for medical expense deductions—the costs of such over-the-counter drugs continue to be non-deductible on tax returns.

Why it's important

Since many prescription drugs are now sold over the counter, this change will make paying for them a little easier. More and more drugs are becoming available without a prescription, and most health plans (including the State Health Plan and HMOs) do

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Now it's even easier to enroll in Long Term Care^①

Aetna, the administrator for the Long Term Care (LTC) Insurance Plan, has an area on its Web site that's dedicated to you! Go to <http://www.aetna.com/group/southcarolina>, and there you'll be able to:

- See a comparison of the three choices of coverage—a disability (fixed-dollar) plan and two service (reimbursement) plans;
- Review eligibility information;
- Calculate and compare monthly premiums based on your age, the daily benefit amount and the type of plan in which you are interested;

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South Carolina
Budget and Control Board
Employee Insurance Program



P.O. Box 11661
Columbia, South Carolina 29211
803-734-0678 • 888-260-9430
www.eip.sc.gov

Check out our new Web site

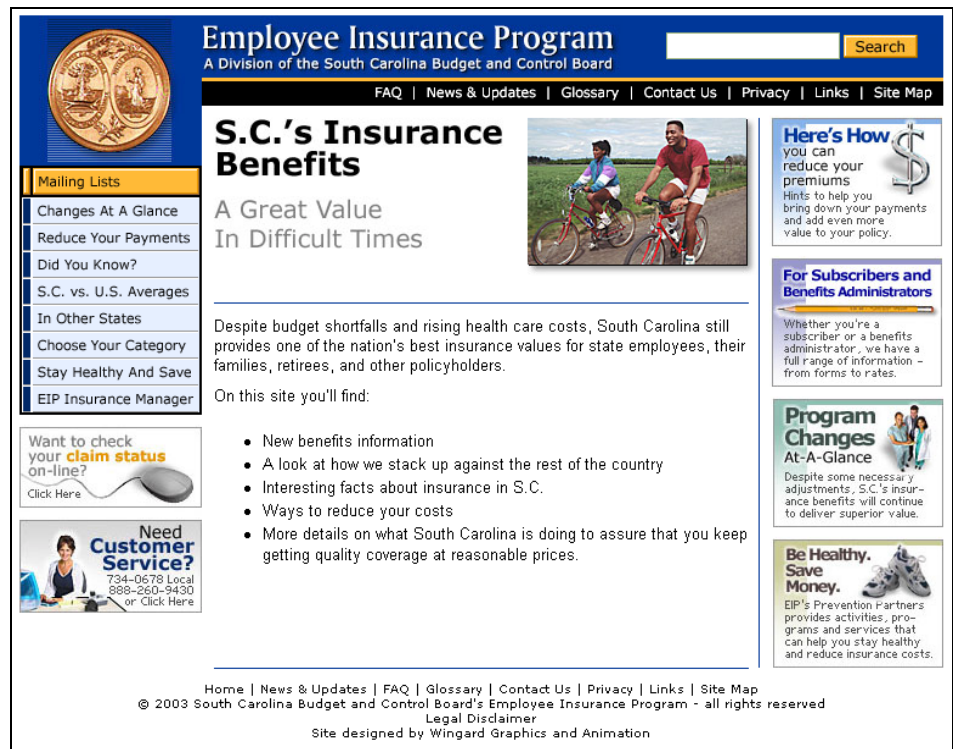
For open enrollment, the Employee Insurance Program's (EIP) new Web site is up and running at www.eip.sc.gov. Note that this is a new Web address, but if you go to the old address—www.eip.state.sc.us—you will be redirected automatically to the new site.

At right is the new site's home page. Note the black band across the top that gives you quick access to reference information and the latest news. On the right and left sides are link "boxes" that take you directly to the more frequently accessed information, such as forms and Customer Service assistance.

A key feature you should find useful is "Choose Your Category." Whenever you want eligibility information, online directories, forms, publications, rates and more, simply choose your category (active subscribers, retirees, benefits administrators, etc.) and you will be able to choose from several options that take you directly to customized information and resources that apply just to you!

As a benefits administrator, when you choose *your* category, you'll be able to access all of the choices that other users access in their categories, *plus* links to the resources you use in your job everyday, such as the billing and reports system, supply order form and training information (the Benefits at Work conference and EIP training classes). For secure access, some of these links are password encrypted, using the same logon information that you use to order supplies. Below are the screens you'll see when you choose your category.

Whether you want answers or information, it's right at your fingertips. Please visit the new Web site and let us know what you think—www.eip.sc.gov.



Employee Insurance Program
A Division of the South Carolina Budget and Control Board

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S.C.'s Insurance Benefits

A Great Value In Difficult Times

Despite budget shortfalls and rising health care costs, South Carolina still provides one of the nation's best insurance values for state employees, their families, retirees, and other policyholders.

On this site you'll find:

- New benefits information
- A look at how we stack up against the rest of the country
- Interesting facts about insurance in S.C.
- Ways to reduce your costs
- More details on what South Carolina is doing to assure that you keep getting quality coverage at reasonable prices.

Want to check your **claim status** on-line?
Click Here

Need Customer Service?
734-0678 Local
888-260-9430
or Click Here

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Benefits Administrators

> General Information
> Billing
> Restricted Area Login

Please enter your logon information

User-Id: Group Number:
Department: Verification Code:
Password:

Mailing Lists

- Changes At A Glance
- Reduce Your Payments
- Did You Know?
- S.C. vs. U.S. Averages
- In Other States
- Choose Your Category
- Active Subscribers
- COBRA Subscribers
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- Spouses / Dependents
- Disability Subscribers
- Benefits Administrators
- Survivors



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Benefits Administrators

> General Information
> Billing
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Mailing Lists

- Changes At A Glance
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- COBRA Subscribers
- Retirees
- Spouses / Dependents
- Disability Subscribers
- Benefits Administrators
- Survivors

Here's what you see when you choose Benefits Administrator as your category (at left). Log in, as you would to order supplies. Once you are logged in, you will be able to access the additional information shown at right.

Prescription Drug Program update for 2004^①

New copayments

Effective January 1, 2004, prescription drug copayments will be as follows:





	Pick-up (up to 31-day supply)	Home delivery (up to 90-day supply)
Generic	\$10	\$23
Preferred (Approved)	\$25	\$56
Non-Preferred (Non-Formulary)	\$40	\$90

New preferred drug list

A new prescription drug *formulary* (a preferred drug list) will also go into effect on January 1, 2004. Called Rx Selections™, it will replace the existing preferred drug list used by the State Health Plan. A preferred drug list includes carefully selected medications that can assist in maintaining quality care while providing opportunities for cost-savings to you and your health plan. You pay a lower copayment for brand-name medications included on the list as opposed to those that are not included. Generic drugs, whether or not they are on the preferred list, are always offered at the lowest copayment level.

Is my prescription on the new Rx Selections™ list? It's easy to check! To find out whether a drug is included, you may access the list on the Medco Health Web site at <http://mmmc.formularies.com/default.asp?formid=00034&prefaltid=00027>. But, before you click, read on.

You will be prompted to search for a drug alphabetically, by name or by chapter (treatment category). Note that you will see certain symbols relating to the various drugs resulting from your search:

Generic Only (\$10 copayment) 	This symbol means <i>only</i> the generic drug is on the preferred list. The corresponding brand-name drug is not and is listed for reference only. <i>Your copayment is always lowest for generic drugs. If you choose a brand-name drug over a generic, you will pay more.*</i>
Approved (\$25 copayment) 	This symbol means the drug is a brand-name drug that is on the preferred list. Your brand copayment will be lower for approved drugs than for non-formulary drugs (see below).*
Generic Available 	This symbol may appear next to an <i>approved</i> (preferred) drug and means there is also a generic drug <i>available</i> . You will pay less for the generic alternative.*
Non Formulary (\$40 copayment) 	This symbol means the drug is <i>not</i> on the preferred drug list, but you can click to find an alternative (either approved or generic). <i>For all drugs with this symbol, there is a preferred and/or generic drug available.*</i>

***Always remember: If you choose a brand-name drug—whether it's approved or non-formulary—when a generic drug is available, you will pay more.**

New pharmacy network

In 2004 the State Health Plan will participate in Medco Health's retail pharmacy network, called *Select Network*. All major pharmacy chains, including Wal-Mart and Walgreens, and most of the independent pharmacies participate in the Select Network. Beginning January 1, you must use a participating pharmacy that is in this network. A list of network pharmacies will be available online soon. Stay tuned for information on how to access this list.

Questions?

Call Medco Health's open enrollment customer service support team at 800-711-3450.

Important message from ...



When filing death claims

When submitting "Proof of Death" (Statement of Employer) forms for Group Life Insurance, it is important to **attach the funeral home assignment**, if applicable. Attaching the assignment is important. It tells The Hartford to pay the funeral home expenses directly from the life insurance proceeds. Do not send the assignment separately from the Proof of Death form; it may not arrive in time before the insurance proceeds are paid.

If the deceased is a retiree, survivor or COBRA subscriber, tell the beneficiary to call Priscilla Burnette with The Hartford (toll-free at 888-803-7346, ext. 3648).

Remember to re-enroll in MoneyPlu\$®

Re-enrollment in the MoneyPlu\$ Medical Spending Account (MSA) or Dependent Care Account (DCA) is *not automatic!* You must complete a MoneyPlu\$ Flexible Spending Account Enrollment Form during open enrollment (October), indicating the amount you wish to contribute to these accounts during the next calendar year. For 2004, the maximum annual amount you can have withheld from your paycheck, pretax, is \$5,000 each for the MSA and DCA.

Can't decide how much to set aside?

There's a handy worksheet to help you figure out how much to contribute to these accounts on Page 14 of the *Flexible Benefits Plan* booklet for 2004. This publication is available from your benefits administrator and available on the Employee Insurance Program's Web site at www.eip.sc.gov. First, choose your category, then select "Publications."

MoneyPlu\$ Worksheets

Deciding How Much to Deposit

To figure out how much to deposit in your MoneyPlu\$ account(s), refer to the following worksheets. Calculate the amount you expect to pay during the calendar and plan years for eligible, unreimbursed out-of-pocket medical and/or dependent care expenses. This calculated amount cannot exceed established IRS guidelines for calendar or plan year limits. Refer to the individual MoneyPlu\$ descriptions in this booklet for limits. (Be conservative in your estimates, since any money remaining in your accounts cannot be returned to you or carried forward to the next plan year.)

TAX-FREE MEDICAL EXPENSE WORKSHEET

Estimate your eligible, unreimbursed out-of-pocket medical expenses for the plan year, which is January 1, 2004, through December 31, 2004.

YOUR UNREIMBURSED MEDICAL, DENTAL AND VISION EXPENSES

1. _____
2. _____
3. _____
4. _____
5. _____

SUBTOTAL

Estimated eligible unreimbursed medical expenses for your period of coverage during the plan year. Amount cannot exceed \$5,000.

= \$ _____

DIVIDE

by the number of pay periods during the plan year. *

= \$ _____

This is your pay period contribution = \$ _____

* If you are a new employee enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year. To participate in the Medical Spending Account, you must have completed one year of continuous full-time service by January 1 following an enrollment period. See Page 5 for details.

TAX-FREE DEPENDENT CARE WORKSHEET

Estimate your eligible dependent care expenses for the plan year, which is January 1, 2004, through December 31, 2004.

NUMBER OF WEEKS

you will have dependent (child, adult or elder) care expenses during the plan year. Dependent on school holidays, vacations and other times you may not be paying for eligible child, adult or elder care.

= \$ _____

MULTIPLY

by the amount of money you expect to spend each week.

X \$ _____

SUBTOTAL

Remember, your total contributions cannot exceed IRS limits for the plan year and calendar year.

= \$ _____

DIVIDE

by the number of pay periods during the plan year. *

= \$ _____

This is your pay period contribution = \$ _____

* If you are a new employee enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year.

At your request, your MoneyPlu\$ checks may be deposited into your checking or savings account by enrolling in Direct Deposit.

www.customerservice@fbmc-benefits.com

MoneyPlu\$ *Continued from page 1*

not cover over-the-counter drugs. So, while an over-the-counter drug may be less expensive than the prescription drug, the out-of-pocket cost to a consumer may be as much or more than when the drug was covered by insurance.

How this affects you

As of October 1, you are able to request reimbursement for the types of over-the-counter drugs listed above. As more information regarding the IRS ruling becomes available, this list is expected to grow.

This is also important as you make your open enrollment decisions. You should consider enrolling in, or increasing, Medical Spending Account deductions to include the costs of any of these over-the-counter drugs you or your family use.

How it works

You may request reimbursement for an OTC medicine purchased on or after October 1, 2003, if:

- The medicine was used for a specific medical condition for you and/or your dependent.
- The submitted receipt states clearly the *purchase date* and *name of the medicine*.

Fringe Benefits Management Company (FBMC) will review and update the list of OTC medicines eligible for reimbursement on a quarterly basis. It is your responsibility to remain informed about updates to this list, which can be found at www.fbmc-benefits.com. You will need to choose "Account Information" and then log in to view the list.

Beginning January 1, 2004, whenever a drug or medicine is added to the list, it will be reimbursable retroactively to the start of the **same** plan year in which it is added. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year. Remember that you have only until March 31, following the end of the plan year, to submit for reimbursement eligible expenses incurred during your period of coverage within the plan year.

Newly eligible medicines do not constitute a valid change-in-status event affecting MSA contributions. But, they are a good reason to **consider enrolling or re-enrolling in a MoneyPlu\$ MSA for 2004!**

If you have any questions, call FBMC at 800-342-8017.

Amendment to the Flexible Benefits Plan booklet for 2004®

This IRS ruling changes "Ineligible Expenses" on Page 10 of the booklet. Strike through the 3rd bullet item relating to prescription drugs approved for over-the-counter use.



Value lives benefits

2004 South Carolina Budget & Control Board
Employee Insurance Program - MONEYPLUS



Open enrollment materials update

Here's additional information on the article regarding open enrollment materials from Page 3 of *The BA Advantage*, distributed at the Benefits At Work 2003 conference. Some of this information is new; some is an update to the original article. You can access *The BA Advantage* on the Employee Insurance Program's (EIP) Web site at www.eip.sc.gov. Choose your category, log in as you would to order supplies and then go to "Publications."

Get materials and forms online

Open enrollment materials and forms are being placed, as they become available, on the EIP Web site. Visit www.eip.sc.gov, choose your category then log on. From there you can access the brochures, forms, and other enrollment information you need. Also, be sure to check out *News & Updates* for other important information.

State Health Plan (803-734-0678 or toll-free at 888-260-9430)

- Prior to January 1, 2004, printed provider directories will be sent to you to give to your employees. Copies will be sent directly to retirees, survivors and COBRA subscribers. The most up-to-date provider directory is always available online at www.eip.sc.gov. Choose your category, then log in and go to "Online Directories."

TRICARE Supplement (800-638-2610, ext. 256)

The following supplies were sent to you by ASI—administrator for the TRICARE Supplement plan:

- A general brochure, outlining the key points of the TRICARE Supplement plan. Please distribute to all interested employees.
- An enrollment meeting flyer that you can copy and post with meeting dates and times. Contact ASI at the number above to schedule an enrollment meeting. ASI will also send a letter to all retirees who are not eligible for Medicare.

Prescription Drug Program (Medco Health) (800-782-8365)

- A link to the 2004 preferred drug list is on the EIP Web site at www.eip.sc.gov. Choose your category, and then go to "Open Enrollment Information." Later this month, a link to a special enrollment section on Medco's Web site will be available, where you and your employees will be able to access both the 2004 preferred drug list and the 2004 pharmacy network.
- Prior to January 1, 2004, Medco Health will send packets directly to all State Health Plan subscribers that will include, among other items, a pocket guide that summarizes the new preferred drug list. Subscribers will be able to take this list to their doctors to discuss prescriptions.

Dental Plan and Dental Plus (BlueCross BlueShield of SC)

- Prior to January 1, 2004, new Dental Plus cards will be sent directly to all subscribers. New State Dental Plan (basic dental) cards will be sent to you to distribute to your active subscribers. Retirees, survivors, and COBRA subscribers will receive their cards in the mail.

Optional Life (The Hartford) (888-803-7346, ext. 3648)

- Brochures and ID cards for the Travel Assistance Program are being sent to you during enrollment. Please do not distribute them to your employees until you distribute the 2004 *Insurance Benefits Guide*.

Enrollment materials and forms will be sent directly to retirees, survivors and COBRA subscribers. You need only distribute enrollment materials and forms to your active employees.

TRICARE Supplement plan for 2004

If you are eligible for TRICARE or CHAMPVA and are also eligible for coverage under the South Carolina state health insurance program, this October is your opportunity to enroll yourself and your eligible dependents in the new AMRA Corporate TRICARE Supplement program.

The TRICARE Supplement plan provides TRICARE subscribers additional coverage that pays 100 percent of the member's out-of-pocket costs. The plan is employer-funded and provided *at no cost to eligible employees and retirees*. Subscribers who are currently paying the full cost of their health insurance will be charged a monthly premium under the TRICARE Supplement program. For them, the premiums will be:

- Enrollee \$63.50
- Enrollee/spouse \$122.50
- Enrollee/children \$122.50
- Full family \$163.50

For more information on the TRICARE Supplement program and how to enroll, refer to *The Insurance Advantage* or the TRICARE Supplement program brochures, available from your benefits administrator or on the Employee Insurance Program's Web site at www.eip.sc.gov. Choose your category, then go to "Publications."

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Student and incapacitated child certification

The following policy and procedure changes will be effective January 1, 2004:

Student certification

- Coverage for dependent children stops at age 19, unless they are full-time students or are incapacitated.
- Students must be enrolled and attending full-time, as defined by the institution they attend, to be eligible.
- Full-time summer school students will lose eligibility if they do not maintain their full-time status for the following semester/quarter.
- Should a student sit out a semester/quarter, the student will lose eligibility.
- Student eligibility ends the earlier of: 1) when the student graduates from college or graduate school; or 2) turns 25.
- A student (19-24) who regains full-time status eligibility must submit to the Employee Insurance Program (EIP) a Notice of Election (NOE) form, along with verification letter from his institution, within 31 days of eligibility.

Incapacitated child certification

- The child must be covered, unmarried and incapable of self-sustaining employment at the time of incapacitation to be eligible and must remain so to continue to be eligible.
- The child must remain principally dependent on the covered employee, and the incapacitation must be permanent.
- Incapacitation must be established within 31 days of the child's 19th birthday or within 31 days of loss of student status.
- An Incapacitated Child Certification Form must be completed by both the subscriber and the attending physician and then sent to EIP for review.

Reviews

EIP conducts periodic reviews of covered dependents for continued eligibility. A letter is sent to the subscriber requesting verification documentation on a dependent child. The subscriber has 10 days to respond. If there is no response, EIP will send a final notice letter, giving the subscriber an additional five days to respond. At the end of the month the subscriber's dependent is either certified as eligible or terminated from coverage, depending on the findings of the review. When claims for a dependent reach \$2,500, the claims administrator, BlueCross BlueShield of South Carolina, stops paying claims and notifies EIP to conduct a review.

Note: EIP may seek repayment of any benefit paid for an ineligible dependent.

Enrollment materials

Continued from page 5

Long Term Care (Aetna) (860-273-5443)

There's still time to order your materials for Long Term Care (LTC) open enrollment! E-mail Winnie Tantraporn at tantrapornw@aetna.com, or call him at the number above to place your order.

- LTC enrollment kits include materials and enrollment forms. These enrollment kits will not be sent automatically! To order a supply for your employees, refer to your benefits administrator kit (green folder) that you received at the Benefits at Work conference. If you did not receive a kit, call the number above to request one. If you have already placed an order, shipping began October 1, and you should have your supply very soon.
- Aetna has mailed conversion kits directly to current LTC enrollees.

For more information on LTC enrollment options, visit www.aetna.com/group/southcarolina, or call 800-537-8521 to speak with an Aetna LTC specialist.

MoneyPlu\$ (Fringe Benefits Management Co.) (800-872-0345)

The following supplies were sent to you from FBMC:

- A general brochure on the MoneyPlu\$ Program. Please distribute to *all* employees;
- A new MoneyPlu\$ booklet that outlines the program in more detail. Please give out to employees who request more information than what is in the general brochure or who enroll;
- Enrollment forms to give to those who enroll;
- Marketing posters to display at your worksite(s).

The MoneyPlu\$ enrollment form, brochure and booklet are also available on the EIP Web site at www.eip.sc.gov. Choose your category, then go to "Forms" and "Publications".



SHP subscribers—locating independent labs^①

A question has been raised at enrollment meetings this fall, regarding independent laboratories participating in the State Health Plan provider networks. The following information will help you locate participating independent labs:

- From the Employee Insurance Program's Web site at www.eip.sc.gov, choose your category and then select "Online Directories";
- Select "State Health Plan Doctor/Hospital Finder," which will take you to BlueCross BlueShield of South Carolina's Web site;
- Click on "South Carolina" under "Doctor & Hospital Finder";
- Another window will open (example below). Select the Blue Cross and Blue Shield directory and select the following:
 - "Labs" under "Healthcare Professional Type";
 - The appropriate location search information (City, County, or Zip Code and State);
 - Select "State Health Plan" under "Select a Health Plan";
 - Select "Independent Lab" under "Select a Specialty".

If no laboratories are found with your search criteria, try broadening your search (for example, instead of a specific zip code, try entering a city or county).

Please continue color coding

Please continue color coding your mail to the Employee Insurance Program (EIP). EIP has postponed implementing the new imaging process until February 2004. We thank you for your continued help and apologize for the delay.

You may use a colored tab or a marker anywhere on the back of the envelope. This will expedite the sorting process, which should result in faster processing. If you're unsure what color you use, follow the guide below:

TIM WILLIAMS	BROWN
ANNA FOY	PINK
ELEANOR ANDERSON	LIGHT BLUE
JUDITH DAVIS	DARK BLUE
IDA RANDOLPH	BLACK
JIM COPLES	RED
BARBARA BRIGHT	YELLOW
MARIAN JONES	GREEN
CARMEN GREEN	ORANGE

Long Term Care Web site

Continued from page 1



- Download any LTC forms you may need;
- Access online resources regarding nursing homes, home health care, caregiving and more.

During open enrollment, you will enroll by mailing your forms directly to Aetna. The Web site will direct you to a list of forms that you can download, print and submit to Aetna. Visit <http://www.aetna.com/group/southcarolina> and see what the LTC Insurance Plan has to offer you!

South Carolina Budget and Control Board
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BAW 2003 conference materials on the Web

You can get the PowerPoint presentations and most workshop handouts from the 2003 Benefits At Work (BAW) conference on the Employee Insurance Program's (EIP) Web site at www.eip.sc.gov. From there, choose your category (benefits administrator) and then choose "Education, Training, and Special Events." You will need to log on as you would when you order supplies.

Enrollment PowerPoint Presentation

EIP's Open Enrollment PowerPoint Presentation for employee meetings is also available online at the address above, along with the BAW conference materials.

The BA Advantage

If you did not attend this year's BAW conference, you missed a lot, including a new newsletter—*The BA Advantage*, containing enrollment information and helpful tips just for you. You can access it, too, along with the other BAW materials, at the address above.

Trouble accessing these materials?

If you have any problems accessing or downloading any of the information, contact Joan McGee at 803-734-0578 (toll-free at 888-260-9430), or e-mail her at jmcgee@eip.state.sc.us.

Insight

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